

choices

2009 annual enrollment highlights guide

explore your options

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enhance your life

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Enroll by phone:
1-888-822-0487

Enroll online:
www.buckhrsolutions.com/countyla

Get answers to your questions
(Benefits Hotline):
1-213-388-9982

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see the prescription drug coverage and Medicare notice on page 10 for more details.

Your Choices benefit program is a joint effort of the County of Los Angeles and the Coalition of County Unions (CCU). They work together to negotiate the choices that are offered, the amount of the monthly benefit allowance, and other details of the program.



what's inside

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welcome to annual enrollment 2009

Welcome to annual enrollment for your **Choices** flexible benefits program. This is a great time to explore all of the medical, dental, and life insurance programs and choose those that best meet your and your family's needs.

The County and the CCU are committed to offering benefits you value and giving you the tools and information to choose what's right for you. With that goal in mind, we recently hosted focus groups with more than 80 *Choices* participants to learn how to improve our annual enrollment communication. On the basis of your feedback, we made several enhancements to the annual enrollment materials you receive—including the enrollment newsletter, this *Highlights Guide*, and a *Summary Plan Description* that includes more details of your coverage under *Choices*. We appreciate your input and are pleased to offer communication materials designed to meet your needs.

What's Changing in 2009

Your *Choices* plan options are not changing for 2009. However, due to continued increases in the cost of health care, your monthly premiums may increase next year, depending on the plan you select.¹ To help you cover any additional costs, the County and the CCU have negotiated a 10% increase in the *Choices* monthly benefit allowance, as shown in the table to the right.

Benefit Changes for 2009 are shown on the enclosed *Medical and Dental Plans Comparison Chart*.

When to Enroll

Annual enrollment for County of Los Angeles employees is **October 1 through 31, 2008**. Your enrollment packet includes all the information you need to select the plans that are right for you:

- **A Personalized Enrollment Worksheet** that shows your current plan elections, monthly benefit allowance, and premium rates for 2009. It also includes the employee number and PIN that you'll need to enroll.
- **This Annual Enrollment Highlights Guide**, with a high-level overview of your enrollment options and instructions on how to enroll.
- **A Medical and Dental Plans Comparison Chart** that provides

details on your medical and dental plan options, allowing you to compare specific plan features such as deductibles and out-of-pocket costs.

- **A Summary Plan Description (SPD) Booklet** with detailed information about your plan choices. (Be sure to keep this booklet for future reference. *It will not be mailed to you every year.* It's also available on the enrollment and DHR Web sites whenever you need it.)
- **A survey** that gives you a chance to tell us what you think of the changes we made to your enrollment communications—and a chance to win a \$25 gift card.

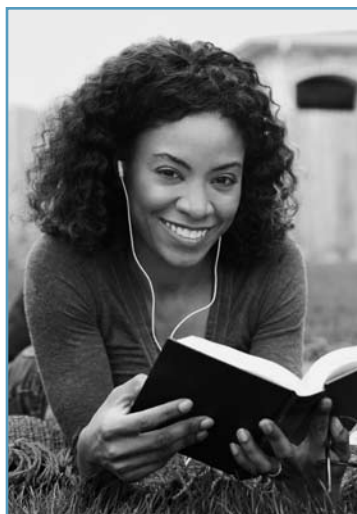
Take time to explore the enclosed enrollment communications and consider which benefit plans are right for you in the coming year.

MONTHLY BENEFIT ALLOWANCE BASED ON NUMBER ENROLLED IN MEDICAL COVERAGE

	2008	2009
Employee only	\$ 482.79	\$ 531.07
Employee plus one dependent	880.88	968.97
Employee plus two or more dependents	1,040.60	1,144.66
Employee who waives medical coverage	244.00	244.00

¹ CIGNA's premiums are decreasing in 2009. See your *Personalized Enrollment Worksheet* for 2009 premium rates.

it's time to enroll



Don't Miss Your Chance to Enroll October 1 through 31, 2008!

Annual enrollment is your opportunity to decide which benefit options are best for you. If you don't enroll by October 31, you'll have to wait until October 2009 to make any changes (unless you experience a qualified change in status—for example, you get married or have a child; please refer to your SPD for more details). If you have an FSA—a Health Care or Dependent Care Spending Account—you **MUST** re-enroll to participate in 2009. Don't miss your chance to change your benefit elections.

Annual enrollment is the time to review your benefit choices and consider whether they're right for you or if it's time for a change. Perhaps your or your family's medical or dental care needs changed or you added a dependent and you want to explore your coverage options. Or perhaps you want to consider enrolling in a Flexible Spending Account (FSA). This guide and the enclosed materials are designed to help you understand your choices, compare your costs, and decide which benefits are right for you and your family.

Enrolling is easy! Follow these simple steps.

1

Read your enrollment materials.

Your *Choices* benefit program offers a range of benefit plans and choices. This is the time to consider your choices in light of your and your family's needs. Remember, your needs may be different than those of your co-workers, and those needs can change over time.

2

Consider how you might save money using an FSA. FSAs are

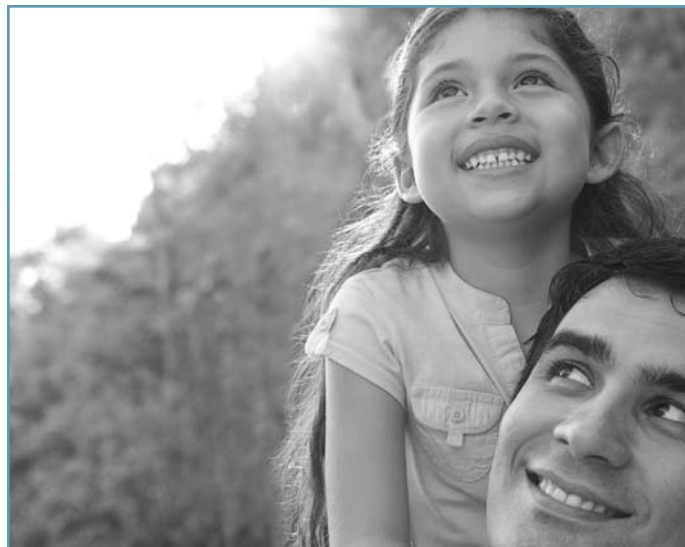
an easy way to save on eligible health care and dependent care expenses. Plus, if you enroll in a Dependent Care Spending Account, the County contributes up to \$375 monthly depending on your annual base pay. Make sure you read all the details starting on page 32 of the enclosed SPD before you sign up.



Adding dependents?

If you are adding dependents to your coverage in 2009, the County must receive proof of their dependent status within 10 calendar days from the date you enroll. Refer to your SPD for detailed information about documentation that proves dependent status.

IMPORTANT: If your documentation is not received by the County within 10 calendar days of your enrollment, your dependents will not be covered and you will not be allowed to add them until the next year.



3

Enroll. After you determine which choices are right for you, gather the information you'll need. Now, it's time to enroll! Be sure you have your *Personalized Enrollment Worksheet* with your employee number and PIN. You can enroll:

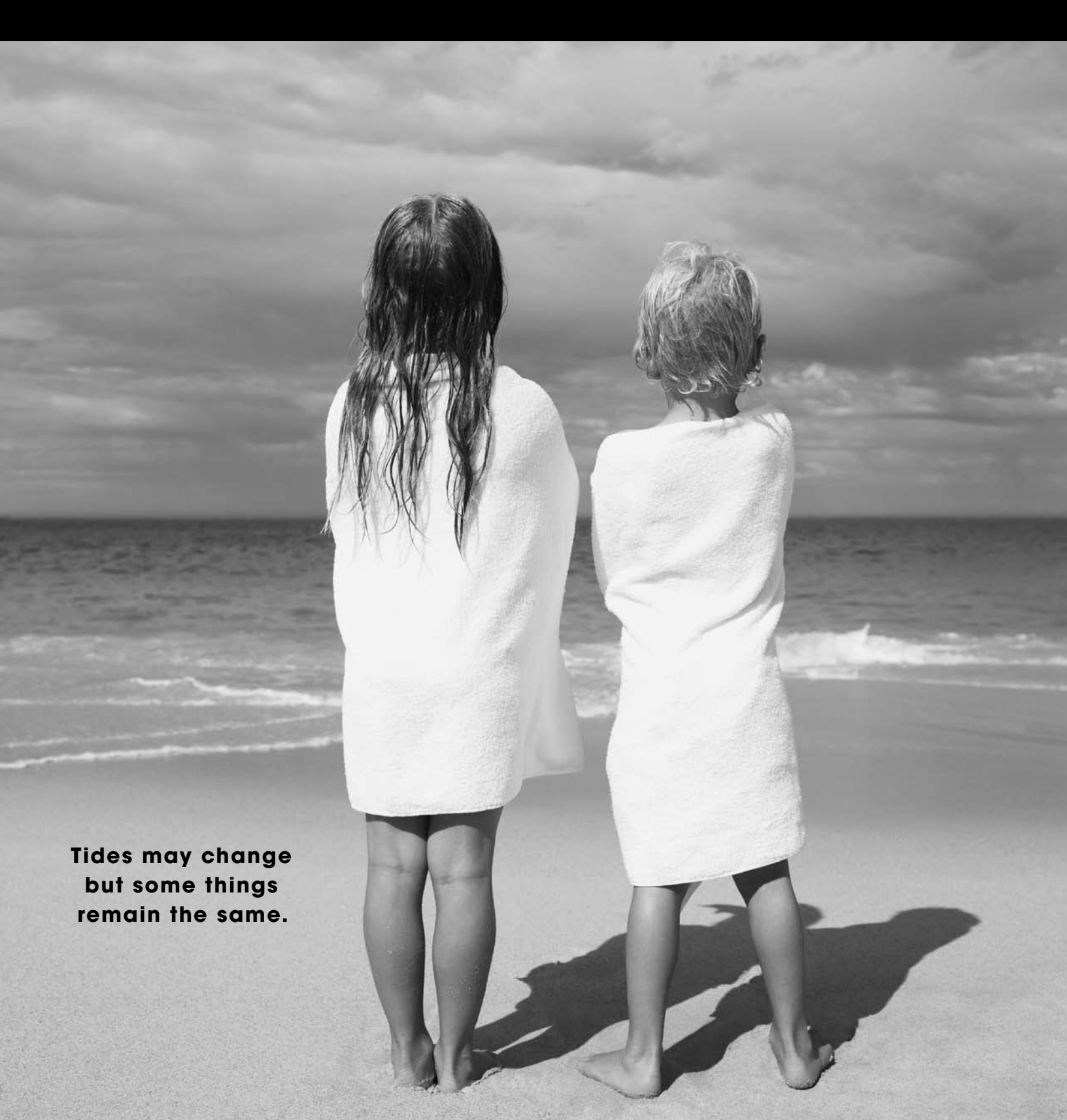
- **Online at www.buckhrsolutions.com/countyla**
Follow the instructions provided online. Be sure to click "CONFIRM" and print your 2009 confirmation statement before logging off.
- **By phone at 1-888-822-0487**
Follow the recorded instructions. Don't hang up until you hear "Your benefit elections have been confirmed and recorded." You will receive a confirmation statement in the mail within seven days. If you don't receive your statement, call the Benefits Hotline at 1-213-388-9982.

4

Review your confirmation statement. When you have your confirmation statement, review it carefully to ensure that all information is correct. You should file this statement along with other important benefit information (such as the enclosed SPD) so that you have it for future reference.

WAIVING COVERAGE?

If you choose to waive medical or dental coverage, you must submit a waiver certification. Refer to page 8 of your SPD for details.



**Tides may change
but some things
remain the same.**

We are the County of Los Angeles

YOU ARE A VITAL PART OF YOUR COMMUNITY. EACH AND EVERY DAY, YOU PUT THE NEEDS OF OTHERS FIRST. YOU WORK HARD, YOU IMPROVE LIVES, AND YOU MAKE A DIFFERENCE. IT'S WHO YOU ARE — AND WE VALUE YOU FOR YOUR EFFORTS. THE COUNTY OF LOS ANGELES AND COALITION OF COUNTY UNIONS WANT TO GIVE BACK SOMETHING TO THOSE WHO GIVE SO MUCH. WE WANT TO GIVE YOU BENEFITS THAT HELP IMPROVE YOUR LIFE.

your benefits

The County of Los Angeles and Coalition of County Unions care about you and your family. That's why we offer benefits that provide for your needs today and in the future. Through a comprehensive benefit program that includes medical, dental, life, and LTD health insurance, we help you enrich your life while protecting your future and your loved ones.

CHOICES 2009 BENEFITS AT A GLANCE

Medical	
• Kaiser HMO	• CAPE/Blue Shield POS (Classic & Lite)
• CIGNA Network HMO	• ALADS/Anthem Blue Cross CaliforniaCare HMO (Basic & Premier)*
• CIGNA Network POS	• ALADS/Anthem Blue Cross Prudent Buyer PPO (Basic & Premier)*
	• Fire Fighters Local 1014 Medical Plan (for Local 1014 members only)
Dental	
• SafeGuard HMO-style plan	• ALADS/Anthem Blue Cross Premier PPO-style plan (included in ALADS/Anthem Blue Cross Premier medical plans)
• DeltaCare HMO-style plan	
• Delta Dental PPO-style plan	
Life Insurance	
• Basic term life insurance	
• Optional group term life insurance	
• Dependent term life insurance	
Accidental Death and Dismemberment (AD&D) Insurance	
Medical Coverage Protection (Long Term Disability Health Insurance)	
Flexible Spending Accounts (FSAs)	
• Health Care Spending Account	
• Dependent Care Spending Account	

*Available only to all sworn Peace Officers eligible to be members of ALADS (Bargaining Unit 611), and employees in Bargaining Units 612, 614, 621, 631, 632, 641, and 642.

Your Medical Plan Choices

Your **Choices** program offers the following medical plans:

- Kaiser HMO
- CIGNA Network HMO
- CIGNA Network POS
- CAPE/Blue Shield POS (Classic & Lite)

- ALADS/Anthem Blue Cross CaliforniaCare HMO (Basic & Premier)
- ALADS/Anthem Blue Cross Prudent Buyer PPO (Basic & Premier)
- Fire Fighters Local 1014 Medical Plan (for Local 1014 members only).

An HMO (health maintenance organization) requires you to receive all of your care from members of a network of participating

Thinking about changing medical plans or wanting to find a new doctor?

- **For CIGNA Network HMO:** Go online to cigna.com. On the main page, go to the section "Find a Doctor" (in the middle of the screen).
- **For Kaiser:** Go online to my.kp.org/ca/countyofla and click on "clinical staff directory" in the "Get Started Now" section.
- **For ALADS/Anthem Blue Cross HMO or PPO:** Go online to anthem.com/ca and click "Find a Doctor."
- **For CAPE/Blue Shield POS:** Go to blueshieldca.com and click "Find a Provider Now."
- **For Fire Fighters 1014 Medical Plan:** Go to local1014medical.org, click on "Prudent Buyer PPO," and click on the blue hyperlink.

Thinking about changing dental plans or wanting to find a new dentist?

- **For SafeGuard:**
Go online to www.safeguard.net, click on "Dental and Vision Directories," and follow the instructions.
- **For DeltaCare and Delta Dental:**
Go online to deltadental.com, then "Dentists" (in the left sidebar), and select "Dentist Search."
- **For ALADS/Anthem Blue Cross:** Go online to anthem.com/ca and click "Find a Doctor."

Be sure to keep your SPD! This booklet is a valuable resource for plan information. *It will not be mailed to you every year, so it is important that you keep your copy for future reference.*

This Highlights Guide is not an official summary plan description (SPD) or official plan document. If you need a copy of an official plan document, contact the plan's Customer Service department directly. If there is a difference between what you read in this guide and what you read in an official plan document, the official plan document will rule.

providers. To be covered for benefits, you must access medical care through your primary care physician.

A PPO (preferred provider organization) gives you the freedom to choose to go to any network or out-of-network provider. When you go to network providers, the plan pays higher benefits (you pay less).

Under a POS (point-of-service) you get to choose whether to use a network provider or providers outside the network each time you need health care. You do not need a referral from your PCP to see another physician. However, the plan typically pays more (and your costs are lower) when you go to your PCP and use in-network providers.

See the *Medical and Dental Plans Comparison Chart* and SPD in your enrollment packet for more information about each plan's benefits and coverage levels.

Your Dental Plan Choices

Your Choices program offers two HMO-style dental plans:

- SafeGuard
- DeltaCare.

In addition, the program offers the following PPO-style dental plans:

- Delta Dental
- ALADS/Anthem Blue Cross Premier (included in ALADS/Anthem Blue Cross Premier medical plans).

The HMO-style dental plans require that you receive all of your dental care from members of a network of participating dental offices. When you enroll, you choose a dental office, which becomes your "primary care

office," and you must go to this office for all of your dental care.

The Delta Dental PPO offers two different networks of participating dentists and dental care providers:

- **Delta Preferred Option (DPO) network:** This network offers the highest benefit. Most preventive services are covered at 100%; many other services are covered at 85%. You pay no deductible. The annual benefit maximum is \$1,500 per person.
- **Delta Participating Dentist network:** Delta pays benefits based on a fee agreement with the network's dentists. Most routine services are covered at 85%. The annual benefit maximum is \$1,200 per person.

The ALADS/Anthem Blue Cross Premier Plan is available only to sworn Peace Officers eligible to be members of ALADS (Bargaining Unit 611), and employees in Bargaining Units 612, 614, 621, 631, 632, 641, and 642.

When you enroll in a PPO, you can go to any dentist from either network, or to an out-of-network dentist. When you go to network providers, the plan pays higher benefits (you pay less).

See your SPD and the *Medical and Dental Plans Comparison Chart* for additional information about your dental plan choices.



do you have a support system?

Sometimes, the unexpected happens. Your *Choices* program offers life insurance, accidental death and dismemberment insurance, and LTD health insurance to protect you and your family.

Life Insurance

The County gives you basic term life insurance at no cost to you.

- Safety Members of Retirement Plan A or B, or General Members of Retirement Plan A, B, C, or D: You are insured for \$2,000.
- Members of Retirement Plan E: You are insured for \$10,000.

You may buy optional group term life insurance of one to eight times your annual salary at low monthly group rates. You may only increase your insurance amount by one times your annual salary each year.

Remember, the County pays 15% of the monthly premium.

If you buy optional group term life insurance for yourself, you may also buy a limited amount of life insurance for your spouse/domestic partner and dependent children. The *Personalized Enrollment Worksheet* in your enrollment packet shows how much you can buy and the monthly premium rates (your cost). See the enclosed SPD for more information.

Accidental Death and Dismemberment Insurance

You can buy accidental death and dismemberment (AD&D) insurance at low monthly group rates. If you die in an accident, become paralyzed, or lose a limb, eyesight, speech or hearing because of an accident, your AD&D insurance pays benefits. Look

at your *Personalized Enrollment Worksheet* for AD&D coverage costs.

If you have AD&D coverage under *Choices*, you may also buy coverage for your eligible spouse/domestic partner and dependent children. See the enclosed SPD for more information.

Medical Coverage Protection (LTD Health Insurance)

If you are a General Member of Retirement Plan A, B, C, D, or E of the Los Angeles County Employees Retirement Association (LACERA) and are enrolled in a County-sponsored medical plan with guaranteed continuation coverage, such as Kaiser and CIGNA, you are eligible to participate in the LTD health insurance plan. This plan is designed to help you continue your medical insurance coverage if you are eligible for long-term disability and become totally and permanently disabled.

For new disabilities incurred on or after January 1, 2008, all *Choices* participants who meet the eligibility requirements will be covered under the LTD health insurance provisions at no cost to them. LTD health insurance pays 75% of your monthly medical premium and you pay the remaining 25%. Beginning January 1, 2008, eligible employees could elect to “buy-up” to 100% LTD health insurance at a cost of \$3.00 per month. Under this optional coverage, LTD health insurance pays 100% of the monthly medical plan premium while you receive LTD benefits.



If you did not elect to purchase the optional 100% LTD health insurance coverage for 2008, you cannot elect this coverage for the plan year beginning January 1, 2009. You must wait until annual enrollment for the January 1, 2010 plan year to elect this coverage again. If you are enrolled in 100% LTD health insurance for 2008 and you cancel coverage for 2009, you have to wait until 2011 to re-enroll.

enhance your life:

save money using flexible spending accounts (FSAs)

Reminder: You must re-enroll in FSAs each year if you wish to participate.

SAVE

UP TO \$1,088* ON TAXES

Health Care Spending Account

Contribute from \$10 per month to \$400 per month.

Your account may be used for expenses incurred by you, your spouse (within the meaning of federal tax law**), and your other dependents. Eligible expenses include those often not covered by your health plans, such as **medical and dental deductibles and copayments**; routine physical exams; orthodontia; vision care (including prescription eyeglasses, contact lenses and solution, laser eye surgery, and nonprescription reading glasses); over-the-counter medications; hearing aids and tests; and smoking-cessation programs, nicotine patches, and nicotine gum.

For a complete list of eligible and ineligible expenses, refer to IRS Publication 502 at www.irs.gov/formspubs/index.html. In the section "Download forms and publications by:" click on "Publication number," then scroll down the list of publications and click on "2007 Publ 502 Medical and Dental Expenses." **Expenses must be incurred by December 31, 2009 and submitted for reimbursement by June 30, 2010.**

Under the County's program, some expenses (such as insurance premiums) are not eligible for reimbursement under the Health Care Spending Account. See the SPD for more information.

* Based on 2008 tax rates, assuming you are married, are filing your taxes jointly, and have a combined annual income of \$50,000.

** A "spouse" is defined uniformly for all federal laws as a person of the opposite sex who is a husband or wife.

What if you could reduce your out-of-pocket health care expenses by 10% to 30% or more? How about reducing the cost to provide care for your kids or adult dependents while you work? If that sounds good, consider enrolling in a Flexible Spending Account (FSA). With an FSA you never pay federal or state taxes on the money you contribute. Depending on your tax bracket, you can save 11 to 44 cents on every dollar you spend in eligible expenses.

Choices offers two types of FSAs: a Health Care Spending Account and a Dependent Care Spending Account. You may enroll in one or both spending accounts. Here's how they work:

- You enroll in the Health Care Spending Account and/or Dependent Care Spending Account during annual enrollment. When you enroll, you decide how much to contribute to each account. You may contribute a maximum of \$400 a month to each account in 2009. The County will contribute up to \$375 monthly to your Dependent Care Spending Account, depending on your annual base pay. (The maximum you may contribute to the Dependent Care Spending Account is \$4,800 a year if married and filing jointly, or \$2,500 if married and filing separately. The County's contribution to the Dependent Care Spending Account counts toward these limits.)
- You can use the FSA expense estimation worksheets on pages 31 and 37 of the SPD to work out how much you want to contribute.

- Your contributions are taken out of each paycheck on a before-tax basis and credited to a recordkeeping account in your name. This begins with your first paycheck in January.
- You pay eligible health care and/or dependent care expenses and submit a claim form to the FSA administrator. The FSA administrator reimburses you and debits the amount from your recordkeeping account. You effectively pay your expenses with tax-free dollars!

Important FSA Considerations

- **You save on "eligible expenses."** Just as a coupon often has limits on what you can use it for, so do FSAs. See the "coupons" on pages 8 and 9 to see what you can use the FSAs for.
- **You have to use these accounts by a certain date.** The only catch with FSAs is that you have to use the money you put in them before they "expire." An IRS rule states that any money in your FSAs that isn't spent by the end of the specified period must be forfeited. But don't let that stop you from taking advantage of the great tax benefits FSAs offer. Just take a little time to plan, and don't put more in your account than you think you need to spend for the year. Be sure to read the FSA section of the enclosed SPD before you enroll.

Added Bonus for the Dependent Care Spending Account

If you enroll in the Dependent Care Spending Account, the County will make a non-taxable monthly contribution based on your annual base pay. And you don't even need to contribute to get this! See the

chart below to find out how much the County will contribute in 2009. Please note that you can make contributions in addition to those made by the County—you just have to be sure that the combined contribution doesn't exceed IRS limits.

Remember, you must enroll in the Dependent Care Spending Account to be eligible for the County contribution.

YOUR ANNUAL BASE PAY	COUNTY'S MONTHLY CONTRIBUTION (Subject to Annual Cap on Contribution*)
Less than \$30,000	\$375
\$30,000 to \$34,999	\$300
\$35,000 to \$39,999	\$275
\$40,000 to \$44,999	\$200
\$45,000 to \$49,999	\$125
\$50,000 or more	\$75

**Important Note: The Coalition of County Unions and the plan sponsor, the County of Los Angeles, agreed to an annual maximum dollar amount the County will spend for this benefit in 2009 and how this benefit will be administered. This benefit will be monitored on a monthly basis. If the dollar maximum is reached in any month in 2009, the contribution you receive from the County will be reduced that month and will be suspended for the remainder of the plan year. There is no guarantee that you will receive the full monthly contribution for each month during the plan year. You will be notified before this benefit is going to be suspended for the year. At that time, you may have the opportunity to increase your own contribution for the remainder of the plan year. In addition, you may be allowed to make other changes that are consistent with a qualifying change in status, cost, or coverage (for example, revoking your election if your dependent care provider quits or terminates its contract with you). See the enclosed SPD for more information.*

SAVE

ON TAXES AND RECEIVE UP TO
\$4,500* FROM THE COUNTY

Dependent Care Spending Account

Contribute up to \$400** per month.

Eligible expenses include out-of-pocket expenses for the care of your child(ren) under age 13, or a spouse (within the meaning of federal law***) or dependent parent who is incapable of self-care, so that you (and your spouse if you are married) can work or attend school full time. Eligible expenses include child and adult **day care provided at your home; nursery schools and preschools** (if the cost of schooling cannot be separated from the cost of care); **properly licensed day care centers** that care for six or more children (including summer day camps); **care outside the home for children and adult dependents**; and the **cost of transportation** of a qualifying individual by the care provider to or from the place care is provided.

For a complete list of eligible and ineligible expenses, refer to IRS Publication 503 at www.irs.gov/formspubs/index.html. In the section "Download forms and publications by:" click on "Publication number," then scroll down the list of publications and click on "2007 Publ 503 Child and Dependent Care Expenses." **Expenses must be incurred by December 31, 2009 and submitted for reimbursement by June 30, 2010.**

* The County's contribution ranges from \$375 a month to \$75 a month, depending on your annual base pay.

** The County's contribution reduces the amount you can contribute...but that means you are spending even less on dependent care!

*** A "spouse" is defined uniformly for all federal laws as a person of the opposite sex who is a husband or wife.



important notice from the county of los angeles about your prescription drug coverage and medicare

Please read this notice carefully and keep it where you can find it.

This notice provides information about your current prescription drug coverage under the County of Los Angeles (County) **Choices** Plan, the prescription drug coverage that will be provided under **Choices** as of January 1, 2009, and prescription drug coverage available for individuals with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll in this coverage. If you are considering enrolling in a Medicare prescription drug plan, you should compare your current coverage, including which drugs are offered and associated costs for those drugs, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

There are two important facts you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans (such as an HMO or PPO) that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may offer more coverage for a higher monthly premium.
2. The County determined that the prescription drug coverage currently offered under CIGNA Network HMO and POS, Kaiser HMO, ALADS/Blue Cross Prudent Buyer and CaliforniaCare, CAPE/Blue Shield of California Lite and Classic, and Fire Fighters Local 1014 Medical Plan and the coverage that will be offered under these plans as of January 1, 2009, is on average for all plan participants who participate in any of these health plans expected to pay out as much as the standard Medicare prescription drug coverage will pay, and that such coverage is considered **Creditable Coverage**. Because all of the health plans available under **Choices** provide **Creditable Coverage**, you may elect any of these coverage options for the 2009 plan year and not pay a higher premium (a penalty) if you decide to enroll in a Medicare prescription drug plan on a later date, provided that you do not experience a 63-day break in coverage (as discussed in more detail below).

When Are You Eligible to Enroll in a Medicare Prescription Drug Plan?

You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and thereafter during each year from November 15th through December 31st.

If you lose your **Creditable Coverage** under **Choices** through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period to enroll in a Medicare prescription drug plan.

What Happens to Your Current Creditable Coverage if You Decide to Enroll in a Medicare Prescription Drug Plan?

If you participate in any of the **Kaiser**, **CIGNA**, **CAPE/Blue Shield of California** or the **ALADS/Blue Cross** plans, you may: (1) keep your existing coverage without enrolling in a Part D plan; (2) keep your existing coverage and enroll in a Part D plan as a supplement to that coverage; or (3) drop your existing coverage and enroll in a Part D plan. If you elect Medicare Part D coverage as a supplement to your existing **CAPE/Blue Shield of California** or **ALADS/Blue Cross** coverage, your coverage will be coordinated with Medicare. If you elect Medicare Part D coverage as a supplement to your existing **Kaiser** or **CIGNA** coverage, your current coverage will not be affected. Alternatively, if you elect Medicare Part D coverage through **Kaiser** and also assign Medicare Parts A and B to Kaiser, you will be placed in the Kaiser Sr. Advantage Plan, which will coordinate with Medicare.

If you participate in the **Fire Fighters Local 1014 Medical Plan**, you may: (1) keep your existing coverage and choose not to enroll in a Part D plan; or (2) drop your existing coverage and enroll in a Part D plan. If you elect Medicare Part D coverage, your coverage under the **Fire Fighters Local 1014 Medical Plan** will end.

If you decide to join a Medicare drug plan and drop your current coverage, you and your dependents will be able to reenroll in the future during a **Choices** open enrollment period; provided, however, that, if you want to reenroll in the **Fire Fighters Local 1014 Medical Plan**, you will have to drop coverage under your Medicare drug plan to reenroll.

Please contact the County of Los Angeles Benefit Plan Administrator for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

When Will You Pay a Higher Premium (a Penalty) to Join a Medicare Prescription Drug Plan?

It is important to note that if you drop or lose your coverage with the County and, although you are eligible to do so, you do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan on a later date.

If you go 63 continuous days or longer without **Creditable Coverage**, when you enroll in Medicare prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have such coverage. For example, if you go nineteen months without **Creditable Coverage**, your premium under Medicare may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) for as long as you have Medicare prescription drug coverage. Additionally, you may have to wait until the beginning of the next enrollment period for

Medicare prescription drug plans (i.e., November 15th) to enroll in the Medicare coverage.

For More Information About this Notice or Your Current Prescription Drug Coverage...

Please contact the **County of Los Angeles Benefit Plan Administrator** at the address listed on this page or the **Benefits Hotline** at the phone number listed on this page for further information.

NOTE: You will receive this notice at other times in the future indicating that you may enroll in Medicare prescription drug coverage. For example, you will receive this notice prior to the next annual enrollment period during which you may enroll in Medicare coverage and you will also receive a notice if your current prescription drug coverage with the County changes. You may request a copy of this notice by contacting the **County of Los Angeles Benefit Plan Administrator** at the address or phone number listed on this page.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. If you are eligible for Medicare, you will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov,
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You handbook for their telephone number) for personalized help, or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember to keep this notice. If you enroll in a Medicare drug plan, you may be required to provide a copy of this notice when you join to show that you maintained **Creditable Coverage** and that you are not required to pay a higher premium amount for coverage (a penalty).

Date: **September 15, 2008**

Entity providing this Notice: **County of Los Angeles**

Contact: **Benefit Plan Administrator**

Address: **3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010**

Benefits Hotline: **1-213-388-9982**